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The Western Powers and the Sino-Japanese Conflict

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AS the war in China drags on into its second year, Japanese leaders face not only serious domestic difficulties engendered by the stress of conflict but also, on the diplomatic front, the opposition of those nations which have condemned Japan's continental adventures and still strive to preserve the existing residues of the post-war treaty settlements.¹ Such opposition has become a historical phenomenon of rather long standing. It assumed the form of a typical imperialist maneuver in 1895, when Russia, Germany and France forced Japan to moderate its demands on a defeated China, only to lay the basis for wringing far-reaching concessions of their own from the Chinese government. Under different circumstances, in 1905, the Japanese public blamed the United States for the failure to win an indemnity from Russia at the Portsmouth Peace Conference—although, by bringing hostilities to a close, the United States rendered great service to Japan. At the Washington Conference, in 1921-1922, the Western powers—animated by solicitude for China's territorial integrity and political independence—induced Japan to relinquish the bulk of the sizeable gains it had made since 1914 in its quest for empire.² To be sure, Japan's aggressive moves during and after the Manchurian incident of 1931 have not been halted by the West.³ Yet now that Japan's striking power has been gravely impaired by the conflict in China, the prospects for effective intervention by the West are once more increasing. By causing the suspension of hostilities, intervention may possibly save Japan from collapse.

1. For a recent survey of the effect of the war on Japan, cf. D. H. Popper, "Progress of the Sino-Japanese Conflict," *Foreign Policy Reports*, May 15, 1938.

2. Cf. Foster Rhea Dulles, *Forty Years of American-Japanese Relations* (New York, Appleton-Century, 1937) pp. 73, 170ff.

3. T. A. Bisson, *Japan in China* (New York, Macmillan, 1938) Chapters 2, 3.

It may result in an old-style imperialist deal bolstering the Japanese position and the special interests of other powers in the Far East; or, on the other hand, it may produce a settlement restoring to China its lost territories and opening the way for a period of fruitful reconstruction.

THE LEAGUE OF NATIONS AND THE CONFLICT

Early in the dispute the Chinese government sought to mobilize the popular sympathy it naturally commanded in the Western democracies and the Soviet Union. On September 12, 1937 Dr. V. K. Wellington Koo, Chinese delegate at the League, invoked Articles 10, 11, and 17 of the Covenant in an appeal to the Council—a procedure which theoretically should have set in motion the League's machinery of peaceful settlement and eventually of sanctions. Dr. Koo did not, however, demand immediate punitive measures, but merely requested the Council "to advise upon such means and take such action as may be appropriate and necessary for the situation under the said articles."⁴ At the suggestion of the Chinese themselves, who were guided in the matter by British and French advice, the Council referred the appeal to the Far Eastern Advisory Committee—set up by the League Assembly on February 24, 1933 to follow the Sino-Japanese dispute and dormant since May 1934. By resurrecting the Committee, on which the United States had been represented by an observer, American participation in subsequent deliberations was to some degree secured.⁵

4. League of Nations, "Minutes of the Ninety-Eighth and Ninety-Ninth Sessions of the Council," *Official Journal*, December 1937, pp. 887, 1100.

5. The function of the United States observer, however, was strictly limited to the reception of definite League proposals. Cf. U. S. Department of State, *Press Releases*, September 25, 1937, p. 254.

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The Committee's first move was to invite China, Australia, Germany and Japan to join its ranks. The latter two declined: Germany, apparently, acted in tacit support of Japan, which repudiated outside interference in the settlement of an Eastern Asiatic dispute.⁶ At the request of Dr. Koo the Committee, on September 27—and the Assembly, on the following day—adopted a resolution strongly condemning “the aerial bombardment of open towns in China by Japanese aircraft.”⁷ Then, heartened by advance information on President Roosevelt's “quarantine” speech of October 5 at Chicago,⁸ the Committee approved two reports submitted by a sub-committee, which clearly reflected the spirit of that striking pronouncement. In the first, it declared that:

“After examination of the facts laid before it, the Committee is bound to take the view that the military operations carried on by Japan against China by land, sea, and air are out of all proportion to the incident that occasioned the conflict; that such action cannot possibly facilitate or promote the friendly cooperation between the two nations that Japanese statesmen have affirmed to be the aim of their policy; that it can be justified neither on the basis of existing legal instruments nor on that of the right of self-defence; and that it is in contravention of Japan's obligations under the Nine-Power Treaty of February 6, 1922, and under the Pact of Paris of August 27, 1928.”⁹

The second report rejected the Japanese contention that the dispute could rightly be settled only by direct negotiations between China and Japan; expressed, nevertheless, the conviction that efforts should be made to restore peace by agreement “before examining other possibilities,” and—adopting a British proposal—recommended that the League members party to the Nine-Power Treaty initiate the “full and frank consultation” for which that treaty provided.¹⁰ On October 6 the Assembly adopted these reports, together with a declaration of moral support for China. It also passed a draft resolution recommending that the League powers “should refrain from taking any action which might have the effect of weakening China's power of resistance and thus of increasing her difficulties in the present conflict, and should also consider

how far they can individually extend aid to China.”¹¹⁻¹²

Taking its cue from the attitude of the great powers, the Assembly thus indicated that it would limit its efforts to verbal support for China. Despite the impressive arguments of Dr. Koo, the League Council as an organization failed to advance very far beyond this point in subsequent sessions. Late in January 1938, a reported attempt to secure American cooperation in a scheme under which the United States, Britain, France and the Soviet Union would furnish munitions and credits to China collapsed when met with a negative response in Washington and a hesitant attitude in Paris.¹³ In the United States, apparently, public opinion was not yet prepared for so radical a departure from “neutrality”; and in France there was no disposition to jeopardize the security of the French Far Eastern empire by actions which Japan might regard as provocations.¹⁴ At the May session of the Council, however, Dr. Koo was able to obtain somewhat more satisfaction, possibly as a result of temporary improvement in the general European atmosphere following conclusion of the Anglo-Italian agreement on April 16, 1938. In response to the Chinese delegate's complaint that “with one exception”—probably the Soviet Union—practically no aid had been given to China, the Council on May 14 urged League members to give “serious and sympathetic consideration” to China's requests for aid. More important than the slightly stiffened language of the resolution was the plain hint, revealed in the delegates' speeches, that Britain and France had given private assurances of a more accommodating attitude with respect to credits, munitions shipments and transport facilities to China.¹⁵

THE BRUSSELS CONFERENCE

The League's failure to act effectively in October 1937 was followed by diplomatic maneuvers which set the tone for the events which were to follow. While Britain and the United States were politely declining to permit the forthcoming conference—summoned in accordance with the terms

11-12. *Ibid.*, pp. 28-35. Poland and Siam abstained in the voting.

13. *New York Times*, January 30, 1938; *New York Herald Tribune*, January 31, 1938; *Le Temps*, January 31, 1938.

14. For Council resolution of February 2, cf. League of Nations, “Minutes of the One-Hundredth Session of the Council, January 26-February 2, 1938,” *Official Journal*, February 1938, p. 120.

15. League of Nations, *Minutes of the Hundred-and-First Session of the Council*, eighth meeting, May 14, 1938, pp. 19-20. The resolution also condemned any resort to the use of poison gas.

6. League of Nations, “Sino-Japanese Conflict: Appeal by the Chinese Government,” *Official Journal, Special Supplement No. 177*, pp. 9, 36.

7. *Ibid.*, p. 16; “Records of the Eighteenth Ordinary Session of the Assembly,” cited, pp. 88-91.

8. Cf. Paul B. Taylor, “America's Role in the Far Eastern Conflict,” *Foreign Policy Reports*, February 15, 1938.

9. League of Nations, *Official Journal, Special Supplement No. 177*, cited pp. 37-42.

10. *Ibid.*, pp. 43-44.

of the Nine-Power Treaty—to meet in either of their respective capitals, the Japanese Foreign Office issued a strong reply to the indictment made by the League and the American government. Because of an “unfortunate lack of understanding of . . . the true intentions of Japan,” the Japanese statement declared, other powers did not realize that Tokyo’s action was a measure of self-defense against the provocative moves of an anti-Japanese and Communist-dominated China. Japan, it was stated, sought only “enduring peace in East Asia through sincere cooperation between China and Japan.” It was consequently, China—not Japan—which should be deemed the treaty violator.¹⁶

In the succeeding weeks, it became apparent that little would be done to implement the moral condemnation of Japan. Striking a note unlike that sounded at Chicago, President Roosevelt on October 12 stressed a desire to cooperate with both China and Japan in seeking a solution “by agreement,” presumably through mediation.¹⁷ In Britain Prime Minister Chamberlain called the Chicago speech “a clarion call . . . as welcome as it was timely.”¹⁸ But the British government, although prodded by the opposition in Parliament to take a stronger stand, publicly stressed the need for cooperation with the United States—a procedure which tended to intensify the reluctance of isolationist Americans to “pull British chestnuts out of the fire.” Sanctions could not be applied, Cabinet members declared, unless sufficient armed force were at hand to overwhelm potential Japanese retaliation.¹⁹ Since neither British nor American authorities were prepared to risk hostilities, both strove repeatedly to emphasize the fact that the forthcoming conference had as its goal the restoration of peace, without indicating how that could be done or what steps would be taken if the effort failed.

The Brussels Conference, which opened on November 3, was attended by nineteen countries—the original signatories of the Nine-Power Pact, with the exception of Japan, subsequent adherents to it, and the Soviet Union.²⁰ These countries had

before them a blunt Japanese refusal to participate in their work, on the grounds that, as measures of self-defense, Japan’s efforts to “assure enduring peace in East Asia” lay outside the purview of the Nine-Power Pact; that a “just, equitable and realistic solution of the conflict” could not be expected from powers which had already condemned Japan at Geneva; and that Sino-Japanese differences could be solved only by direct negotiation between the two powers.²¹

At the first session of the conference, three trends were discernible. The United States, Britain and France took for their watchword the restoration of peace by mediation, on a basis “fair to each and acceptable to both”—although there was no indication of the possible nature of such a settlement.²² China, whose attitude was shared by the Soviet Union, called for action to restore peace by checking Japanese aggression.²³ Finally, Italy—regarded as Japan’s mouthpiece at the conference—derided the notion of applying coercive measures against Japan and urged that the conference limit its work to bringing the two parties together.²⁴

Having demonstrated this divergence of view, the conference dispatched a second invitation to Japan which arrived in Tokyo on November 7. This time it proposed mediation through a small committee of delegates.²⁵ The conciliatory spirit of Brussels, however, found no response in Tokyo. On the contrary, the Japanese reply was a curt refusal to reconsider its stand.²⁶ The delegates then formulated a “declaration” and a “report.” Despite a plea by Dr. Koo for sanctions against Japan and aid to China, the “declaration” was limited to a denial of Japan’s contention that the conflict concerned Japan and China alone; a statement that the powers represented at Brussels viewed the problem “not in terms simply of relations between two countries in the Far East but in terms of law, orderly processes, world security and world peace”; and a warning that these states must “consider what is to be their common attitude” in a situation in which Japan denies their competence to act under the Nine-Power Treaty. A second declaration, embodied in the conference’s report, reaffirmed the validity of the principles of the Nine-

16. For text, cf. *Contemporary Japan* (Tokyo), December 1937, p. 571.

17. *New York Times*, October 13, 16, 1937.

18. Speaking at Scarborough, October 8. *Manchester Guardian Weekly*, October 15, 1937.

19. Great Britain, House of Commons, *Parliamentary Debates, Fifth Series* (London, His Majesty’s Stationery Office, 1937), Vol. 327, pp. 63-66, 73-77, 86-89, 173-75.

20. These states were: Union of South Africa, United States, Australia, Belgium, Bolivia, Canada, China, Denmark, France, Great Britain, India, Italy, Mexico, the Netherlands, New Zealand, Norway, Portugal, Sweden and the U.S.S.R. Germany, which was invited together with the Soviet Union, declined to attend on the ground that it had not signed the Nine-Power Pact.

21. For text of reply to invitation, and Foreign Office statement, cf. *Contemporary Japan*, December 1937, pp. 572-77.

22. Cf. address by Norman H. Davis, State Department, *Press Releases*, November 5, 1937, pp. 352-355.

23. Text of address by Dr. Koo, *Japanese Aggression and the Nine-Power Conference at Brussels* (Brussels, Press Bureau of the Chinese Delegation, 1937), Part I, pp. 5-19.

24. *New York Times*, November 4, 1937.

25. Text in *Japanese Aggression and the Nine-Power Conference*, cited, Part 2, pp. 36-37.

26. For text, cf. *Japan Weekly Chronicle* (Kobe), November 18, 1937, p. 664.

Power Treaty and, by implication, of the non-recognition doctrine.²⁷

Thus, the delegates fulfilled their obligation of "full and frank consultation" under Article 7 of the Nine-Power Pact. To some, the mere restatement of the principles of that treaty appeared as a valuable achievement, since the road was thus cleared for future action against Japan and world opinion was informed of its necessity. Others maintained that purely verbal condemnation of Japan, unsupported by punitive measures against the aggressor, only served further to undermine the prestige of the collective peace system and the democracies. In any case, it was generally admitted that the delegates had assembled under overwhelmingly unfavorable circumstances, seeking to mediate—presumably on a more or less impartial basis—in a dispute in which their governments had already pronounced judgment against Japan. It is not surprising, therefore, that it was found impossible to discover a basis for mediation.

On the other hand, the events at Brussels and the aftermath held out little hope for adoption of a logical alternative course—effective sanctions. While these might well have involved no more than economic pressure against the Japanese,²⁸⁻²⁹ they might possibly have required preponderant naval strength to enforce them. There were hints, at the Brussels Conference, that Britain might be prepared to strengthen its Asiatic fleet by sending five or six capital ships to Singapore, if the United States would adopt a more positive policy. At the time, however, the American delegates could not make commitments. Public opinion in the United States, while increasingly sympathetic with China, remained opposed to a direct naval demonstration against Japan by the United States fleet. Subsequently, because of the tense European situation, it became vital for the British to keep their naval strength in European waters at a maximum. Following Neville Chamberlain's successful negotiation of an agreement with Italy, a *détente* between Britain and France on the one hand, and the Fascist powers on the other, appeared possible, and the prospects for joint action in the Orient grew brighter. But the accord had not become effective by midsummer; the European situation remained critical. It therefore appeared highly improbable that the British could yet undertake additional commitments in the Far East.

27. For texts of speeches, declaration dated November 15 (with Italy dissenting and the three Scandinavian nations abstaining from the vote), and report dated November 24 (Italy again dissenting), cf. *Japanese Aggression and the Nine-Power Conference*, cited, Part 2, pp. 5-50.

28-29. Cf. J. C. deWilde, "Can Japan Be Quarantined?" *Foreign Policy Reports*, December 1, 1937.

IDEOLOGIES AND THE WAR

The failure to revive the collective peace system was no doubt an important consideration for Germany and Italy, which took demonstrative steps to sabotage any anti-Japanese coalition likely to arise at Brussels. Besides obstructing the work of the conference from within, Italy emphasized its solidarity with Japan by adhering, on November 6, 1937, to the German-Japanese anti-Communist pact and recognizing Manchoukuo.³⁰ A few days earlier it had been revealed in Berlin that Germany, which would doubtless have relished the opportunity to take the wind out of the conference's sails, was also attempting mediation.

Although Chinese sources denied at the time that negotiations were under way, official statements later disclosed the fact that German diplomats in Tokyo and Nanking had been asked late in October 1937 to aid in seeking a settlement. Germany's good offices, utilized again at the end of December, proved fruitless on both occasions.³¹ As a mediator Germany possessed several advantages. It did not belong to the bloc which, on October 6, had condemned Japan. Throughout the earlier stages of the dispute it had remained studiously neutral—its ideological affinity for Tokyo counterbalanced by its important trade and military ties with China, and by a desire not to drive China into the arms of the U.S.S.R. It was also preferable, from the German point of view, that the war end before Japan's vitality had been so sapped that it could no longer act as an effective check on the Soviet Union.

Once Chiang Kai-shek had definitely repudiated offers of a compromise settlement, Japan was on firmer ground in demanding assistance from its partners in the new Rome-Berlin-Tokyo bloc. In Japanese eyes the axis was designed to serve two purposes. It was intended as a counterpoise to the "popular front" strategy of the Soviet Union—which, it was alleged, found expression in the cooperation of the Chinese Communists and the Kuomintang. In its more concrete aspect, it was regarded as an instrument for parallel action to revise an unjust *status quo*.³²

Indeed, as the war dragged on and Soviet influence was strengthened at Hankow, German policy began to veer from neutrality toward support of

30. For text of protocol of adherence, cf. *Contemporary Japan*, December 1937, p. 578.

31. Cf. statement of Deutsches Nachrichten Büro, *Völkischer Beobachter*, (Berlin) January 20, 1938; Japanese Foreign Office statement of January 18, 1938, *Japan Weekly Chronicle*, January 27, 1938, p. 107.

32. Cf. Hikomatsu Kamikawa and William Henry Chamberlin, "The Rome-Berlin-Tokyo Axis," *Contemporary Japan*, June 1938, pp. 1-21.

Japan. In his Reichstag speech of February 20, 1938 Chancellor Hitler, while reaffirming German neutrality, expressed open preference for a Japanese victory over a China dominated by "bolshivism," and announced that Germany would recognize Manchoukuo.³³ On May 21 some forty German military advisers, whose services were highly appreciated by the Chinese, were recalled to Germany, although their contracts had not expired.³⁴ At the same time it was unofficially stated that German munitions shipments to China would be halted. The German Ambassador at Hankow, Dr. Oskar Trautmann, a proponent of German neutrality, was recalled on June 26. His departure was regarded as a possible prelude to the severance of relations between Berlin and Hankow and recognition of the Japanese-sponsored régimes in Peking and Nanking. It remained doubtful, however, whether Berlin would go this far in support of Japan until it became quite clear that the Japanese forces would be victorious.³⁵

The motives behind this gradual shift in the German position are open to several interpretations. It may be merely one consequence of the gains made by the more thoroughgoing and Sovietophobe Nazis in the purge of the German Army and Foreign Office, in February 1938. Or it may be the price for a Japanese undertaking to limit Japan's territorial acquisitions to North China and Inner Mongolia. Such a course would tend to minimize Japan's post-war burden and would leave the Japanese in position to exert pressure on the U.S.S.R. which might immobilize it in Europe.³⁶ An exhausted, over-extended Japan, on the other hand, would detract from Germany's strength on the Continent. The possibility seems remote that Germany will receive Shantung or some of its former Pacific island territories as a *quid pro quo* for its support of Japan. Chancellor Hitler has declared that Germany has "no territorial interests whatever" in Eastern Asia, while Tokyo has stated that it will not yield its mandated islands to any nation.³⁷ It is more probable that the Nazis'

chief concern is to secure economic advantages from the eventual victor, and that the Germans are forced to make grudging concessions to an importunate Japan at a time when it is vital for them, because of European political considerations, to preserve the solidity of the Rome-Berlin-Tokyo axis.

Italy, too, began to emphasize its partiality toward Japan as the Far Eastern conflict continued into 1938. Italian aviation instructors were withdrawn from China after Italy had adhered to the anti-Comintern pact. An Italian good-will mission to Japan received a fanfare of acclaim in March and April 1938; it was followed by an economic mission which investigated the possibilities of closer trade relations between Italy, Japan and Manchoukuo.³⁸ Signature of the Anglo-Italian accord did not perceptibly alter the Italian attitude on the Far Eastern conflict. On the contrary, Count Ciano, the Italian Foreign Minister, speaking at Milan on June 2, 1938, for the first time officially committed Italy to the view that the Chinese cause was linked with the "disintegrating action of bolshevism," against which Italy and Germany were arrayed in Spain.³⁹ On July 5, moreover, a tripartite trade agreement was signed by Italy, Japan and Manchoukuo.⁴⁰

The object of these strictures by the anti-Communist bloc—the Soviet Union—consistently supported the Chinese government in its resistance to Japan almost from the outset of hostilities. With the Chinese Communists collaborating closely with Chiang Kai-shek from the start, the U.S.S.R. was quick to affirm its moral support of the Kuomintang by conclusion of a non-aggression pact with China on August 21, 1937.⁴¹ Soviet airplanes and munitions were furnished to the Chinese armies, despite transport difficulties; Soviet aviation instructors have replaced Italian advisers. Japanese protests against this aid have been firmly rejected.⁴² Nevertheless, the uncertainty concerning the results of a Chinese mission, headed by Sun Fo, which was sent to Moscow in January 1938 to seek additional Soviet support for China, seemed to indicate that the U.S.S.R. was not yet willing to risk

33. *Völkischer Beobachter*, February 21, 1938. Formal diplomatic relations with Manchoukuo were established by a treaty signed on May 12 at Berlin.

34. This development appears to have been ignored in the German press. *New York Times*, *New York Herald Tribune*, May 24, 1938. On his departure, on July 5, General von Falkenhausen, chief of the mission, expressed his confidence in a Chinese victory.

35. Cf. *New York Times*, June 28, 29, 1938. The Chinese Ambassador at Berlin made preparations to vacate his post at the end of July. *Le Temps*, June 30, 1938.

36. Cf. Freda Utley, "The Danube and the Yellow River," *New Statesman and Nation* (London), June 11, 1938, p. 981.

37. *Völkischer Beobachter*, February 21, 1938; statement of Hikozo Hagiwara, Vice-Minister of Overseas Affairs, *New York Herald Tribune*, November 28, 1937.

38. *Japan Weekly Chronicle*, April 28, 1938, p. 525; May 19, 1938, p. 608; *Trans-Pacific* (Tokyo) May 26, 1938, p. 14.

39. *Le Temps* (Paris) June 3, 4, 1938.

40. The agreement provides that the flow of trade to and from Italy shall be equivalent in value. *Ibid.*, July 5, 1938; *New York Herald Tribune*, July 11, 1938.

41. Text in *L'Europe Nouvelle Documentaire*, September 11, 1937. Each party is obligated not to assist any power which attacks the other.

42. For data regarding munitions shipments to China by other countries, cf. Popper, "Progress of the Sino-Japanese Conflict," cited. There are indications that Soviet aid has recently been intensified.

a conflict with Japan over the Chinese question.⁴³ This conclusion had previously been reached by many observers as a result of Soviet forbearance during an Amur River boundary dispute in June 1937, which had been widely regarded as a test case staged by the Japanese military prior to the outbreak of the Sino-Japanese hostilities. But by July 1938, when another border incident occurred at Changkufeng, near Possiet Bay, the balance had apparently shifted, with the Soviet standing firm and Japan hesitant. It seemed unlikely, however, that either Japan or the Soviet Union would reap any advantages by forcing current issues to the point of hostilities. Japan could not easily confront an additional opponent; and the U.S.S.R., whose military power became a subject of dispute after the recent political purge, had to reckon with the possibility that Hitler would seize the opportunity afforded by war in the Far East to extend his dominion in Eastern Europe—a contingency greatly feared by the French and the Czechs.⁴⁴⁻⁴⁵

THE DEMOCRACIES DEFEND THEIR INTERESTS

The Western democracies, although not primarily concerned with the ideological dispute of which China had become one focus, could not remain unaffected by the conflict. In the United States, at least, apprehension was aroused by Japan's rapid march toward military totalitarianism. On another plane, British, American and French authorities could not but fear for the security of their territorial and economic stake in the Far East if Japan were overwhelmingly victorious in the war. After prospects for collective action had reached their nadir, in the deliberations at Geneva and Brussels, the best opportunity for the democratic powers to put pressure on Japan seemed to lie in a vigorous defense of their rights and interests in China. This was manifested not only by innumerable representations and protests to Japan over incidents arising out of the conduct of hostilities, but by significant steps to bolster British and American naval striking power in the Western Pacific. The Western nations, while they shrank from a direct challenge to Japan which might have meant war at this time, were clearly preparing for a possible demonstration of strength in the future.

This attitude was plainly revealed by their re-

action to several incidents which in an earlier period might well have led to war. Great Britain, for example, protested strongly against an attack by Japanese aircraft on an automobile party of Sir Hughe Knatchbull-Hugessen, British Ambassador to China, on August 26, 1937, as a result of which the Ambassador was seriously wounded. Yet, unwilling to press matters to extremes, the British government stated that the diplomatic standing of the victims was "irrelevant" to the central fact that non-combatants had been attacked in a region remote from the actual hostilities, particularly since no actual state of war had been deemed to exist. They were likewise satisfied to regard the incident as closed on receipt of an official Japanese note of apology, even though Japan did not accept the British version of the facts and gave only equivocal assurances with respect to punishment of the military personnel involved.⁴⁶

Far more serious were the repercussions arising from attacks on foreign shipping in the Yangtze during the advance on Nanking in December 1937. On December 5, two British ships at Wuhu were damaged by Japanese bombers; and on December 12 one seaman on the British gunboat *Ladybird* was killed when merchant shipping and gunboats were attacked by airplanes and field batteries. On the same day the American gunboat *Panay* was bombed by Japanese army planes and sent to the bottom.⁴⁷ Japanese insistence that these events were a "mistake" seemed belied by the almost simultaneous occurrence of the attacks and by a statement of Colonel Kingoro Hashimoto, senior Japanese officer then at Wuhu, that he "had orders to fire on every ship on the river."⁴⁸ Nevertheless Japan, while giving emphatic assurances regarding punishment, recurrence of the incident and payment of indemnity, maintained that the attacks were an error arising from poor visibility and the assumption that foreign vessels had left the theater of war. The British, following the American example, accepted the Japanese assurances, but not the Japanese version of the facts, on December 31.⁴⁹ The *Panay* incident was finally settled by payment on April 22 of \$2,214,007.36 as indemnification for deaths, injuries and property loss suffered by Americans and the United States government.⁵⁰ British claims for personal injuries

43. Some sources state that the mission was successful in increasing the extent of Soviet military aid to China, but this is denied by other observers. Cf. *The Times* (London), June 4, 1938, and denial in *New York Times*, June 15, 1938; Walter Duranty in *New York Times*, February 12, 1938. Cf. also Harriet Moore, "The Soviet Press and Japan's War on China," *Pacific Affairs* (New York), March 1938, pp. 44-51.

44-45. Cf. Robert Leurquin, "Stratégie de la guerre sino-japonaise et intérêts européens," *Politique Etrangère* (Paris), June 1938, pp. 266-79.

46. For text of notes, cf. *The Times*, August 30, September 23, 1937.

47. The *Panay* crisis is discussed in Taylor, "America's Rôle in the Far Eastern Conflict," cited.

48. For text of British protest, December 16, 1937, cf. *Contemporary Japan*, March 1938, pp. 774-75.

49. For the correspondence, cf. *ibid.*, pp. 774-79; *The Times*, December 31, 1937.

50. State Department, *Press Releases*, April 23, 1938, p. 504.

and damage to the various vessels attacked were presented and are being paid.⁵¹

In a number of less critical matters, Britain, France and the United States protested Japan's interference with the rights and interests of non-belligerent powers, which appeared the more flagrant and difficult to deal with because a state of war did not legally exist. Diplomatic discussion was particularly complex on the questions of collection of Chinese customs revenues and Japan's rights, as a conqueror, to take measures affecting foreign interests in the International Settlement at Shanghai.⁵² Both Britain and the United States made representations, with some success, to demand that their nationals be permitted access to their properties in the Yangtze valley, from which they have been excluded by the Japanese even though hostilities have long since ceased in the areas involved.⁵³ Drastic traffic restrictions on foreign shipping—particularly British—plying the Yangtze were also a source of considerable irritation.⁵⁴ Feeling was further aroused by the Japanese practice of intensively bombing great cities in China from the air. Sharp protests followed aerial attacks on Nanking in September 1937; these were motivated by concern for non-combatants generally as well as for foreign nationals and property.⁵⁵ In June 1938 there was widespread condemnation of the bombing of Canton. While the Japanese contended that the city was defended by anti-aircraft artillery and offered a legitimate target as a vital communications point and source of supply, the high civilian death toll indicated that the raids had not been made against military objectives alone but were indiscriminate.⁵⁶

The audacious Japanese attacks on the diplomatic personnel and naval vessels of Britain and the United States were motivated, some observers felt, by a desire on the part of the Japanese military to convince the Chinese that it was hopeless to expect Anglo-American aid in their struggle. If the Anglo-Saxon powers would not fight under provocation, it was doubtful that they could be

persuaded to support China by anything more than words. Other observers regarded the attacks as a forcing stratagem designed to strengthen that wing of American opinion favoring abandonment of American national interests in the Orient, and the element in Britain willing to come to an agreement with Japan recognizing its predominant position in China. Whatever the purpose, Tokyo maneuvered skilfully in the crises to impede close Anglo-American cooperation in the Far East, by sharply differentiated treatment of the two nations. Britain was pilloried in the press, while the United States was praised for its "fairness." In negotiating the liquidation of the incidents of December 12, the Japanese government carefully dealt with the American protest before turning to the settlement with Britain.

These tactics, however, have thus far failed to dampen Chinese morale, force any noticeable British or American withdrawal from the Far East, or uncover profound differences in the policies of these two powers in the area. On the contrary, both countries took closely related steps to strengthen their position in the Pacific by accelerating military preparations which had definite implications for the future. At Singapore, strong point of Britain's Far Eastern defenses, the graving dock for capital ships was rushed to completion, and the main portions of the great naval base will be completed by March 1939.⁵⁷ Much significance was attached to the presence of three American cruisers, the only foreign vessels at the base, during the formal opening ceremonies on February 14, 1938.^{57a} Singapore's potentialities were further emphasized by elaborate maneuvers and an intimation by the British Admiralty that docking facilities would be available there for American vessels.⁵⁸ Despite misgivings by strategists who doubt that Hongkong could be held against a heavy Japanese attack, the fortifications of this British base were also strengthened, during 1937 and 1938, following the expiration of the restrictive non-fortification provisions of the Washington naval treaties.⁵⁹

Britain, moreover, now has in hand a considerably greater tonnage of naval construction than any other power. On January 1, 1938, 547,014 tons of vessels were being constructed, as compared with a figure of 139,345 tons three years earlier. In the fiscal year ending March 31, 1939 some sixty

51. Great Britain, House of Commons, *Parliamentary Debates*, Vol. 333, No. 84, March 29, 1938, pp. 1849-50; No. 85, March 30, 1938, pp. 1973-74; *The Times*, March 25, 1938.

52. Cf. Popper, "Progress of the Sino-Japanese Conflict," cited.

53. State Department, *Press Releases*, June 4, 1938, p. 635; *New York Times*, July 17, 1938; Great Britain, House of Commons, *Parliamentary Debates*, cited, Vol. 335, No. 101, May 2, 1938, p. 492; No. 106, May 9, 1938, p. 1215.

54. *Ibid.*, Vol. 335, No. 106, May 9, 1938, p. 1214; Vol. 336, No. 118, May 25, 1938, p. 1181.

55. State Department, *Press Releases*, September 25, 1937, p. 255.

56. Cf. British and American statements of June 3, 1938, *The Times*, June 4, 1938; State Department, *Press Releases*, June 4, 1938, p. 642; also statement of foreign physicians of Canton, *New York Herald Tribune*, June 21, 1938.

57. Cf. Navy Estimates for 1938, Cmd. 5680, *The Times*, March 5, 1938.

57a. *New York Times*, February 14, 1938.

58. *The Times*, February 14, 15, March 10, 1938.

59. Great Britain, War Office, *Memorandum of the Secretary of State for War Relating to the Army Estimates, 1938*, Cmd. 5681 (London, His Majesty's Stationery Office, 1938), p. 10.

new vessels will be put into service, representing a total of over 130,000 tons.⁶⁰ The avowed purpose of this huge expansion program is a "two-hemisphere fleet," comprising 25 capital ships, 70 cruisers and the requisite auxiliary strength by 1941-1942—a force designed to permit the dispatch of a strong squadron to the Far East without jeopardizing the British naval position in the North Sea and the Mediterranean. It is believed that five of the older British battleships, extensively modernized, will eventually form the nucleus of a Pacific fleet stationed at Singapore.⁶¹ Consummation of a comprehensive Anglo-Italian agreement lessening the need for strong British naval forces in the Mediterranean would tend to diminish Britain's present reluctance to dispatch capital ships to Pacific waters, and would thereby strengthen the hand of both British and American diplomacy in the Far East. Under such circumstances it might in the future be possible to effectuate the project for a long-range naval blockade of Japan, carried out by Anglo-American forces patrolling a line running from the Aleutians, through Hawaii, Samoa and Borneo, to Singapore. It was believed that a plan of this type was discussed during a visit to London in January 1938 by Captain Royal E. Ingersoll, Chief of the War Plans Division of the Office of Naval Operations, but that Britain found it impossible at that time to spare the naval strength required.⁶²

On the American side, naval pressure against Japan was marked by intensification of measures long in prospect rather than any basically new strategic conceptions. With the expiration of the naval limitation treaties of Washington and London, the United States had virtually a free hand in shaping its naval armament so as to create a deterrent to Japan. While the United States has not yet, as far as is known, moved to strengthen its fortifications in the Western Pacific, it has inaugurated a commercial air line not devoid of military potentialities, which touches at the islands of Midway, Wake and Guam—all under Navy Department jurisdiction. In the Philippines the conscript army being built up for the new Philippine

Commonwealth remains an integral part of the military forces of the United States and a supplement to the regular American forces still stationed there.⁶³ Influential Americans are beginning to plead for a "realistic re-examination" of the Philippine independence plan, in order to preserve "the only sure outpost for Americanism in the Orient."⁶⁴ President Quezon, undisputed political leader of the Philippines, has hinted broadly that continuing American protection of the Islands would be welcome. He has also stressed their value to the United States as a source of tropical products "in peace or in war," and has stated that the archipelago constitutes, for the United States, "a necessary air base in the East which will always be available to you for trade or military operations."⁶⁵

These developments, tending to preserve American influence in the Western Pacific, form part of a many-sided pattern of power politics in that region. Another portion of this pattern was revealed when, on March 3, 1938, President Roosevelt laid formal claim to Canton and Enderbury Islands in the Phoenix group—lands which are valuable as stepping-stones on an air route via Samoa to the Antipodes.⁶⁶ The United States thus appears to be rounding out a Pacific island chain extending southward from the Aleutians to Samoa, which will be of considerable strategic value. At its northern extremity, in the Aleutian Islands and Alaska, a naval base at Dutch Harbor and a large airport at Fairbanks are under consideration, while flight and navigation investigations are being conducted from Sitka, Kodiak and other localities.⁶⁷ Since the Aleutians stretch to a point less than 800 miles from Japanese territory, Japan could scarcely fail to regard their militarization as

63. Cf. T. A. Bisson, "American Policy in the Far East," *Foreign Policy Reports*, February 1, 1937.

64. Speech of Paul V. McNutt, United States High Commissioner to the Philippines, *Washington Star*, March 15, 1938. A joint Philippine-American committee has already recommended that preferential economic relations be terminated not in 1946 but in 1960.

65. Radio interview with General James G. Harbord, *Philippines Herald* (Manila), May 23, 1938. In a radio speech after a trip to Japan, Quezon cited Japan's willingness to concur in neutralization of the Islands and stated that, after independence was granted, America "will not guide our destiny nor will she assume responsibility for our mistakes." *Christian Science Monitor*, July 19, 1938.

66. Cf. text of executive order, *New York Times*, March 6, 1938. The British have also claimed these islands, and negotiations which may result in some form of joint jurisdiction are now nearing conclusion. *Ibid.*, May 8, 1938. For characteristics of the islands and their value as airplane bases, cf. Klaus Mehnert, "U.S.A. annektiert pazifische Inseln," *Zeitschrift für Geopolitik* (Heidelberg), May 1938, pp. 341-47.

67. Alexander Kiralfy, "The Armed Strength of the United States in the Pacific," *Pacific Affairs* (New York), June 1938, p. 215.

60. Great Britain, *Statement Relating to Defence, Presented by the Prime Minister to Parliament, March 1938*, Cmd. 5682 (London, His Majesty's Stationery Office, 1938), p. 4.

61. Hector C. Bywater, "Britain on the Seas," *Foreign Affairs*, January 1938, pp. 210-221.

62. Captain Ingersoll is known to have discussed questions of qualitative limitation of naval strength during his visit. Cf. testimony of Admiral Leahy, U. S. House of Representatives, Seventy-fifth Congress, Third Session, *Hearings before the Committee on Naval Affairs on H.R. 9218, To Establish the Composition of the United States Navy, To Authorize the Construction of Certain Naval Vessels, and for Other Purposes, parts 1 and 2* (Washington, Government Printing Office, 1938), pp. 112, 113, 161.

preparation for a possible attack on its territory via the great circle northern route.⁶⁸ Such fears are enhanced by the steadfast opposition of both Navy and State Department officials to any definition of a "naval frontier" beyond which supposedly offensive naval operations would not be conducted. This refusal is defended by the military argument that national safety requires that an enemy fleet be met and destroyed before it enters the American defensive area; and by the diplomatic maxim that restriction of protection to American nationals in one limited area would expose them unduly to attack elsewhere. Far from withdrawing behind a sea frontier, the Navy is apparently preparing to utilize its island outposts and long-range patrol planes to extend its area of operations to the west of the commonly accepted Alaska-Hawaii-Canal Zone triangle, if only for purposes of reconnaissance. The region which the Navy now strives to survey extends from the Aleutians to Midway, Samoa and Panama.⁶⁹

The significance of these factors was heightened on January 28, 1938, at a moment when memory of the *Panay* incident was still fresh and diplomatic notes were being exchanged with regard to the molestation of American officials and nationals in China. On that date President Roosevelt sent to Congress a message requesting it to approve a 20 per cent increase in the authorized "under age" tonnage of each of the principal types of war vessels, over and above the building now proceeding to reach the full strength authorized by the London Naval Treaty of 1930.⁷⁰ By refraining from scrapping tonnage technically classed as overage but actually useful, the Navy may increase its strength by far more than the indicated ratio.

It was officially stated that the increase was necessitated if the United States were to be able to meet single-handed a simultaneous attack on both its coasts, such as might conceivably be launched by Japan, Germany and Italy acting in unison. Announcement that the fleet would be temporarily moved to the Atlantic in 1939—interpreted by some observers as a gesture of resistance to German and Italian activities in Latin America—lent color to this explanation. Because of the extreme improbability of such a conflict, the impression was general that the new law was designed in the first instance to strengthen this country's

Pacific defenses. Japanese spokesmen were not slow to point out that, given the mobility of present-day navies, they must proceed on the assumption that in an American-Japanese naval war the entire United States fleet would be concentrated in an attack against Japan. Although, according to American naval authorities, the increase adopted in the Expansion Act would not itself permit unilateral action overseas, alteration of the naval ratios against Japan would improve the prospects for eventual joint naval action by the United States and Great Britain.

LARGER CAPITAL SHIPS

These states exerted pressure on Japan in another sphere by applying, for capital ships only, their right of "escalation" or upward revision of the tonnage limits specified under the London Naval Treaty of 1936.⁷¹⁻⁷² In a last attempt to restrain non-participating powers, particularly Japan, from inaugurating a qualitative naval race—a competition in the size and gun-caliber of vessels rather than their number—that treaty provided that the signatories might overstep its tonnage and armament restrictions if other nations did so.⁷³ Rumors that the Japanese were surpassing the London tonnage limits in capital ships and cruisers soon began to circulate in foreign capitals, possibly with a view to "smoking the Japanese out." These received a certain degree of confirmation when a prominent Italian daily, *Giornale d'Italia*, stated on December 12, 1937 that Japan was building 43,000-ton capital ships. Since Japan and Italy were committed to the interchange of military information under the anti-Comintern pact, American naval authorities—who have long desired larger capital ships with long cruising ranges—assumed that the Italian press report might have substance.⁷⁴

Apparently on this basis the United States, on February 5, 1938, threatened to exercise the right of escalation unless Japan furnished "explicit assurances" by February 20 that it would not surpass the treaty limits on the size and gun calibers of capital ships and cruisers.⁷⁵ The Japanese government's reply, on February 12, denied any intention of "possessing an armament which would menace other countries"; pointed out the flaw in

71-72. Japan is not a party to this treaty. It withdrew from the London Conference, at which the treaty was elaborated, when its demand for quantitative parity with Britain and the United States was refused.

73. U.S. Department of State, "Limitation of Naval Armament: Treaty between the United States of America and Other Powers," *Treaty Series* No. 919, 1937.

74. Testimony of Admiral Leahy, *Hearings on H.R. 9218*, cited, pp. 22, 24, 41.

75. State Department, *Press Releases*, February 5, 1938, pp. 223-26. Britain and France sent similar communications to Tokyo.

68. For a discussion of the strategic factors, cf. Sutherland Denlinger and Charles B. Gary, *War in the Pacific* (New York, McBride, 1936), Chapter XVI.

69. Cf. testimony of Admiral Leahy, *Hearings on H.R. 9218*, cited, pp. 12, 145.

70. *Congressional Record*, January 28, 1938, p. 1585; for text of the Naval Expansion Act as finally passed, cf. Public Law No. 528, approved May 17, 1938.

logic involved in assuming that Japan meant to construct larger vessels merely because it did not reply to the American note in the desired terms; and reaffirmed a prior Japanese refusal to discuss qualitative limitation of naval strength unless quantitative limitation, or restriction of total fleet tonnages, were also discussed.⁷⁶ Meanwhile, Japanese naval authorities repeatedly denied that Japan was building 43,000 or 45,000-ton battleships but would not categorically state the tonnage of vessels under construction.⁷⁷

Nevertheless, on March 31, Britain, France and the United States exchanged notes terminating the qualitative limitations on capital ships contained in the London Naval Treaty.⁷⁸ At the same time the French, whose primary naval interests lie in Europe, declared their intention not to depart from the treaty limits so long as no other European continental power does so. After lengthy negotiations Great Britain and the United States agreed to limit the size of capital ships to 45,000 tons, with 16-inch guns. This upper limit will, however, remain a standing warning to Japan for some time to come rather than an actual guide to naval construction. The United States has indicated that the four capital ships to be laid down in the fiscal year 1939, like the two at present under construction, will displace only 35,000 tons. Likewise, the British have stated that they will not surpass a limit of 40,000 tons without giving prior notice.⁷⁹

These self-denying undertakings, coupled with the establishment of the new 45,000-ton limit, may effectively deter Japan from inaugurating qualitative competition in the construction of capital ships. If it has not yet done so, Japan may contrive to give confidential assurances—to prevent loss of “face”—that it will restrict the size of its battleships in order to avoid a crushingly burdensome building race. The entire episode illustrates the result of a policy of secrecy with regard to naval armaments. Japan’s unwillingness to abandon such a policy may yet lead to a more costly naval competition in which the Japanese cannot hope to be victorious.

A NEW BALANCE IN THE PACIFIC?

Japan has thus conducted its campaign in China against the tacit resistance of virtually all the powers except the Fascist dictatorships and their satellites. With the aid of this minority, Tokyo has hitherto flouted the League of Nations and

the countries represented at the Brussels Conference. As the Japanese realize, however, military activities in China will be protracted. Since its inception the scope of the conflict has constantly tended to widen. By spreading its military operations over an ever-expanding area, Japan is increasing the possibility of altercations with non-belligerent powers. Japanese warnings urging foreigners to take precautions or to evacuate war zones are now applied to a vast region in China.⁸⁰ Despite these admonitions British and American naval authorities have refused to withdraw their vessels from areas in the Yangtze valley in which Japanese forces are attacking.⁸¹ Should incidents affecting foreigners and their properties occur there, serious disputes will arise regarding Japan’s responsibilities in war zones.

Further difficulties appear inevitable if the Japanese continue their southward advance along the China coast, which has already been marked by incursions at Amoy and Swatow. For several reasons, the vital port of Canton has heretofore escaped attack by land. Any attempt to invest it would require a large number of troops now being utilized elsewhere and would be almost certain to affect the British crown colony of Hongkong, which irresponsible Japanese are already demanding for Japan. The result of such a direct threat to British imperial interests might be to destroy what hope still remains for mediation under British guidance, in the spirit of the abortive Hoare-Laval deal over Ethiopia—a procedure palatable to those who desire that Japan remain sufficiently powerful to offset the Soviet Union in the Far East. Advocates of this policy are reported to be planning the terms of a compromise settlement, providing for a limited Japanese victory, which would be submitted to the belligerents when Hankow falls. In some quarters the refusal of the British government to sanction a £20,000,000 loan sought by China in London is attributed to a desire to bring hostilities to a close on some such basis.⁸² Yet the British have given considerable indirect aid to the Kuomintang, by permitting munitions shipments to run the Japanese blockade via Hongkong, and by other methods.^{82a}

The interests of the French, centered about Indo-China and the surrounding territory, are also af-

76. *Ibid.*, February 12, 1938, pp. 255-57.

77. *New York Times*, February 4, 1938.

78. State Department, *Press Releases*, April 2, 1938, pp. 437-38.

79. Text of protocol and statements in *New York Times*, *New York Herald Tribune*, July 1, 1938.

80. The latest proclamation includes the territory east of a line extending from Sian, in Shensi province, to Pakhoi, near the Indo-China border. *New York Times*, June 21, 1938.

81. *New York Times*, June 14, 1938; *New York Herald Tribune*, June 13, 1938.

82. Cf. *Christian Science Monitor*, July 14, 1938; *New York Herald Tribune*, July 16, 1938.

82a. Additional assistance to China is now under consideration. Cf. statement of Neville Chamberlain, *New York Times*, July 27, 1938.

fectured by the Japanese Navy's drive to the south. In June 1938, because of naval activity in the neighborhood, Paris began to fear that Japan had designs on the strategically located island of Hainan, commanding the Gulf of Tonkin and flanking the Singapore-Hongkong route. As a possible prelude to naval measures, the Japanese press engaged in polemics against France, which was accused of permitting munitions to pass over the Indo-Chinese border despite a pledge, in October 1937, to halt the traffic. Japanese naval authorities admitted that they would seize the island if it were thought necessary for victory and stated that occupation—as distinguished from annexation—would not contravene the broad terms of the Franco-Japanese agreement of June 10, 1907.⁸³ On June 27 the British and French apparently scotched preparations for an attack on the island by revealing that they had jointly warned Japan that occupation of Hainan would be calculated to “give rise to undesirable complications” in which the two governments would support each other.⁸⁴ One week later the French notified Tokyo that they had taken possession of the small but strategically located Paracel Islands, south of Hainan.⁸⁵

Thus it appears that Britain and France, although unwilling or unable to run the risk of coercive measures against Japan through the medium of the League and the Brussels Conference, are strongly determined to defend their own territorial interests and their strategic footholds in the Far East. In similar fashion the United States is striving to defend the rights and property of its nationals in the Orient; American officials regard this as their contribution to the preservation of orderly processes in the sphere of international relations. Meanwhile, Anglo-American naval preparations swing into full stride. Signs are impending that the attitude of formal impartiality which underlies the Neutrality Act—which has remained a dead letter as far as the Far East is concerned—may be giving way to a more open interventionist orientation. Continuation of silver purchases from China by the United States Treasury, at an approximate monthly rate of \$10,000,000 in recent months, has been of the greatest assistance in financing Chinese purchases of foreign war materials.^{85a} Secretary of State Hull has informed

American aircraft manufacturers that the United States government opposes the sale of planes to countries which bomb civilian populations.⁸⁶ The Department of Commerce has warned American exporters to have in hand a “confirmed irrevocable letter of credit” before accepting Japanese orders.⁸⁷ A proposal for crippling Japan's fighting power by means of a unilateral American embargo on the shipment of items in which this country possesses a more or less complete monopoly—high test aviation fuel, special lubricating oils, special steels and alloys, machine tools and the like—is gaining considerable headway.⁸⁸ If public opinion in the United States should be aroused by Japanese excesses and other world events, these measures may be followed by a direct drive for revision of the Neutrality Act which may permit more efficacious governmental action.

Slowly, as Japan's fighting potentialities wane and those of the Western powers in the Pacific tend to increase, the democracies are beginning to recover some of the prestige and influence lost during the earlier stages of the conflict. If the war continues long enough the West may yet again be found in its historic rôle of moderator, if not of liquidator, of Japan's present gains by the sword—provided China itself does not liquidate them. It is still too early to know whether this function will be exercised in the spirit of the canons and ideals which the Western powers preach in the realm of international affairs, or whether these principles will be used as a cloak in the search for imperialistic advantage. In any event, it is not difficult to envisage a demand for a multi-power conference, which could counter Japan's contention that the issues of the war be settled by China and Japan alone. Such a conference, by arranging for the withdrawal of troops and forces of *all* foreign powers from various portions of China, might furnish the Japanese with a convenient means of recalling their troops from an area which in any case is probably too great for permanent patrol. Simultaneously, it might prove an instrument whereby China might free itself from many of the vestiges of foreign imperialism. Still more important, it might inaugurate a new era in the collaboration of China, Japan and the West, as equals, in restoring to life and prosperity vast areas of a nation devastated by war.

83. This agreement requires each power to respect the interests of the other in regions in which they have special interests. John V. A. MacMurray, editor, *Treaties and Agreements with and Concerning China, 1894-1919* (New York, Oxford University Press, 1921), Vol. 1, p. 640. Cf. *Le Temps*, June 22, 1938.

84. *The Times*, June 28, 1938; *New York Times*, June 25, 1938.

85. *Ibid.*, July 8, 1938.

85a. The original purchase agreement, announced on May 18, 1936, was renewed for the fourth time—for an indefinite period—in July 1938. *New York Times*, July 15, 1938.

86. *Ibid.*, June 12, 1938.

87. *Ibid.*, June 21, 1938.

88. Cf. Eliot Janeway, “Japan's Partner: Japanese Dependence upon the United States,” *Harpers Magazine* (New York), June 1938, pp. 1-8. It has been estimated that in 1937 the United States furnished Japan with 54.4 per cent of its imports necessary for the prosecution of war. Cf. Chinese Council for Economic Research, “Japan's Ability to Finance Purchase of War Materials,” Special Study No. 1 (Washington, March, 1938), Part 1. This subject will receive more detailed treatment in a forthcoming *Foreign Policy Report*.